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DEVELOPMENTS CONCERNING THE NATIONAL
EMERGENCY WITH RESPECT TO ANGOLA

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ON DEVELOPMENTS SINCE HIS LAST REPORT OF SEPTEMBER 19, 1996, CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO ANGOLA THAT WAS DECLARED IN EXECUTIVE ORDER 12865 OF SEPTEMBER 26, 1993, PURSUANT TO 50 U.S.C. 1703(c)



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THE WHITE HOUSE,
Washington, April 3, 1997.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I hereby report to the Congress on the developments since my last report of September 19, 1996, concerning the national emergency with respect to Angola that was declared in Executive Order 12865 of September 26, 1993. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

On September 26, 1993, I declared a national emergency with respect to the National Union for the Total Independence of Angola ("UNITA"), invoking the authority, *inter alia*, of the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) and the United Nations Participation Act of 1945 (22 U.S.C. 287c). Consistent with United Nations Security Council Resolution 864, dated September 15, 1993, the order prohibited the sale or supply by United States persons or from the United States, or using U.S.-registered vessels or aircraft, of arms and related materiel of all types, including weapons and ammunition, military vehicles, equipment and spare parts, and petroleum and petroleum products to the territory of Angola other than through designated points of entry. The order also prohibited such sale or supply to UNITA. United States persons are prohibited from activities that promote or are calculated to promote such sales or supplies, or from attempted violations, or from evasion or avoidance or transactions that have the purpose of evasion or avoidance, of the stated prohibitions. The order authorized the Secretary of the Treasury, in consultation with the Secretary of State, to take such actions, including the promulgation of rules and regulations, as might be necessary to carry out the purposes of the order.

1. On December 10, 1993, the Department of the Treasury's Office of Foreign Assets Control (OFAC) issued the UNITA (Angola) Sanctions Regulations (the "Regulations") (58 *Fed. Reg.* 64904) to implement my declaration of a national emergency and imposition of sanctions against UNITA. The Regulations prohibit the sale or supply by United States persons or from the United States, or using U.S.-registered vessels or aircraft, of arms and related materiel of all types, including weapons and ammunition, military vehicles, equipment and spare parts, and petroleum and petroleum products to UNITA or to the territory of Angola other than through designated points of entry. United States persons are also prohibited from activities that promote or are calculated to promote such sales or supplies to UNITA or Angola, or from any transaction by any United States persons that evades or avoids, or has the pur-

pose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive order. Also prohibited are transactions by United States persons, or involving the use of U.S.-registered vessels or aircraft, relating to transportation to Angola or UNITA of goods the exportation of which is prohibited.

The Government of Angola has designated the following points of entry as points in Angola to which the articles otherwise prohibited by the Regulations may be shipped: *Airports*: Luanda and Katumbela, Benguela Province; *Ports*: Luanda and Lobito, Benguela Province; and Namibe, Namibe province; and *Entry Points*: Malongo, Cabinda Province. Although no specific license is required by the Department of the Treasury for shipments to these designated points of entry (unless the item is destined for UNITA), any such exports remain subject to the licensing requirements of the Department of State and/or Commerce.

There has been one amendment to the Regulations since my report of September 19, 1996. The UNITA (Angola) Sanctions Regulations, 31 CFR Part 590, were amended on October 21, 1996 (61 Fed. Reg. 54936, October 23, 1996), to implement section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, by adjusting for inflation the amount of the civil monetary penalties that may be assessed under the Regulations. The amendment increases the maximum civil monetary penalty provided in the Regulations from \$10,000 to \$11,000 per violation.

The amended Regulations also reflect an amendment to 18 U.S.C. 1001 contained in section 330016(1)(L) of Public Law 103-322, September 13, 1994; 108 Stat. 2147. The amendment notes the availability of higher criminal fines pursuant to the formulas set forth in 18 U.S.C. 3571. A copy of the amendment is attached.

2. The OFAC has worked closely with the U.S. financial community to assure a heightened awareness of the sanctions against UNITA—through the dissemination of publications, seminars, and notices to electronic bulletin boards. This educational effort has resulted in frequent calls from banks to assure that they are not routing funds in violation of these prohibitions. United States exporters have also been notified of the sanctions through a variety of media, including via the Internet, Fax-on-Demand, special fliers, and computer bulletin board information initiated by OFAC and posted through the U.S. Department of Commerce and the U.S. Government Printing Office. There have been no license applications under the program since my last report.

3. The expenses incurred by the Federal Government in the 6-month period from September 26, 1996, through March 25, 1997, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to UNITA are about \$61,000, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), and the Department of State (particularly the Office of Southern African Affairs).

I will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

Sincerely,

WILLIAM J. CLINTON.

of Yugoslavia (Serbia and Montenegro and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, UNITA (Angola) Sanctions Regulations, and Terrorism Sanctions Regulations (collectively, the "Regulations") to implement section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, by adjusting for inflation the amount of the civil monetary penalties that may be assessed under the Regulations. The rule also amends the penalty provisions of the Regulations to reflect a 1994 amendment to 18 U.S.C. 1001. Certain of the Regulations are also amended to note the availability of higher criminal fines under 18 U.S.C. 3571.

EFFECTIVE DATE: October 21, 1996.

FOR FURTHER INFORMATION CONTACT: Mr. E.S. Scott, Chief, Civil Penalties Program (tel.: 202/622-6140); or William B. Hoffman, Chief Counsel (tel.: 202/622-2410), Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

SUPPLEMENTARY INFORMATION:

Electronic and Facsimile Availability

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Office of Foreign Assets Control

31 CFR Parts 500, 515, 535, 550, 560, 575, 585, 590 and 595

Foreign Assets Control Regulations, Cuban Assets Control Regulations, Iranian Assets Control Regulations, Libyan Sanctions Regulations, Iranian Transactions Regulations, Iraqi Sanctions Regulations, Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, UNITA (Angola) Sanctions Regulations, Terrorism Sanctions Regulations; Implementation of Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, as Amended by the Debt Collection Improvement Act of 1996

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule; amendments.

SUMMARY: This final rule amends the Foreign Assets Control Regulations, Cuban Assets Control Regulations, Iranian Assets Control Regulations, Libyan Sanctions Regulations, Iranian Transactions Regulations, Iraqi Sanctions Regulations, Federal Republic

Background

Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, 104 Stat. 890, 28 U.S.C. 2461 note), as amended by the Debt Collection Improvement Act of 1996 (Pub. L. 104-134, sec. 31001(a)(1), Apr. 26, 1996, 110 Stat. 1321-373—the "DCIA") (jointly, the "FCPIA"), requires each Federal agency with statutory authority to assess civil monetary penalties ("CMPs") to adjust CMPs for inflation according to a formula described in section 5 of the FCPIA. The purpose of the FCPIA is to maintain the deterrent effect of CMPs through periodic cost-of-living based adjustments. The first inflation adjustment is required by October 2, 1996—180 days after the enactment of the DCIA. Thereafter, agencies are to make inflation adjustments at least once every four years. Adjustments of CMPs are to be made by regulation published in the Federal Register. Any increase in a CMP made pursuant to the FCPIA applies only to violations that occur after the date the increase takes effect.

Section 5 of the FCPIA requires that each CMP having a specified or maximum monetary amount provided for by Federal law be increased by the percentage by which the Consumer Price Index for all urban consumers (the "CPI") for the month of June of the calendar year preceding the adjustment exceeds the CPI for the month of June of the calendar year in which the amount of the CMP was last set or adjusted pursuant to law. Section 5 also provides a formula for rounding the final CMP amount. Finally, section 31001(a)(2) of the DCIA mandates that the first inflation adjustment of a CMP may not exceed 10 percent of the penalty prior to adjustment.

The Office of Foreign Assets Control currently imposes CMPs pursuant to three statutes: the Trading with the Enemy Act (50 U.S.C. App. 16—"TWEA"), the International Emergency Economic Powers Act (50 U.S.C. 1705—"IEEPA"), and section 580E of the Iraq Sanctions Act of 1990 (Pub. L. 101-513, 104 Stat. 2049, 50 U.S.C. 1701 note—"ISA"). The CMP amount of \$50,000 under TWEA was set in 1962. Thus, pursuant to the FCPIA, the TWEA statutory CMP must be increased by the difference between the CPI for 1995 and the CPI for 1962, or 8.8%, which, after rounding, equals \$5,000. Thus, this final rule amends the maximum TWEA-based CMP per violation to be the inflation-adjusted amount of \$55,000.

The CMP amount of \$10,000 under IEEPA was set in 1977. Applying the CPI inflator of the FCPIA would

increase the CMP under IEEPA by 151.2%, exceeding the DCIA's 10% cap. The adjustment is limited to \$1,000. Thus, this rule fixes the maximum IEEPA-based CMP per violation at \$11,000.

The CMP amount of \$250,000 under the ISA was set in 1990. The CPI inflator under the FCPIA (17.4%) again exceeds the DCIA 10% cap of \$25,000. Thus, this rule amends the maximum ISA-based CMP per violation to be \$275,000.

This rule also amends the penalty provisions of the Regulations to reflect an amendment to 18 U.S.C. 1001 contained in section 330016(1)(L) of Public Law 103-322, Sept. 13, 1994, 108 Stat. 2147. The amendment strikes the \$10,000 cap on fines imposed for fraudulent dealing with Federal agencies. Finally, this rule amends the Regulations to note the availability of higher criminal fines pursuant to the formulas set forth in 18 U.S.C. 3571.

Since the Regulations involve a foreign affairs function, Executive Order 12866 and the provisions of the Administrative Procedure Act (5 U.S.C. 553), requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

This rule contains no collection of information.

List of Subjects

31 CFR Part 500

Administrative practice and procedure, Banks, banking, Blocking of assets, Cambodia, Exports, Finance, Foreign claims, Foreign investment in the United States, Foreign trade, Imports, Information and informational materials, International organizations, North Korea, Penalties, Publications, Reporting and recordkeeping requirements, Securities, Services, Specially designated nationals, Terrorism, Travel restrictions, Trusts and estates, Vietnam.

31 CFR Part 515

Administrative practice and procedure, Air carriers, Banks, banking, Blocking of assets, Cuba, Currency, Estates, Exports, Foreign investment in the United States, Foreign trade, Imports, Informational materials, Penalties, Publications, Reporting and recordkeeping requirements, Securities, Shipping, Specially designated nationals, Terrorism, Travel restrictions, Trusts and trustees, Vessels.

31 CFR Part 535

Administrative practice and procedure, Banks, banking, Blocking of assets, Currency, Foreign investment in the United States, Iran, Penalties, Reporting and recordkeeping requirements, Securities, Terrorism.

31 CFR Part 550

Administrative practice and procedure, Banks, banking, Blocking of assets, Exports, Foreign investment, Foreign trade, Government of Libya, Imports, Libya, Loans, Penalties, Reporting and recordkeeping requirements, Securities, Services, Specially designated nationals, Terrorism, Travel restrictions.

31 CFR Part 560

Administrative practice and procedure, Agriculture commodities, Banking and finance, Exports, Foreign trade, Imports, Information, Investments, Iran, Loans, Penalties, Reporting and recordkeeping requirements, Services, Specially designated nationals, Terrorism, Transportation.

31 CFR Part 575

Administrative practice and procedure, Banks, banking, Blocking of assets, Exports, Foreign trade, Humanitarian aid, Imports, Iraq, Oil exports, Penalties, Petroleum, Petroleum products, Reporting and recordkeeping requirements, Specially designated nationals, Terrorism, Travel restrictions.

31 CFR Part 585

Administrative practice and procedure, Banking and finance, Blocking of assets, Exports, Federal Republic of Yugoslavia (Serbia and Montenegro), Foreign trade, Imports, Intellectual property, Loans, Penalties, Reporting and recordkeeping requirements, Securities, Services, Shipping, Telecommunications, Transfer of assets, Vessels.

31 CFR Part 590

Administrative practice and procedure, Angola, Exports, Foreign trade, National Union for the Total Independence of Angola, Penalties, Reporting and recordkeeping requirements, Shipping, UNITA, Vessels.

31 CFR Part 595

Administrative practice and procedure, Banking and finance, Blocking of assets, Penalties, Reporting and recordkeeping requirements, Specially designated terrorists, Terrorism, Transfer of Assets.

For the reasons set forth in the preamble, 31 CFR chapter V is amended as follows:

PART 500—FOREIGN ASSETS CONTROL REGULATIONS

1. The authority citation for part 500 is revised to read as follows:

Authority: 50 U.S.C. App. 1964; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note; E.O. 9183, 7 FR 5205, 3 CFR 1938-1943 Comp., p. 1174; E.O. 9809, 13 FR 4891, 3 CFR 1943-48 Comp., p. 748.

Subpart G—Penalties

2. Section 500.701 is amended by removing paragraph (a)(6), redesignating existing paragraphs (b) and (c) as paragraphs (c) and (d), respectively, adding a new paragraph (b), and revising introductory paragraph (a), paragraph (a)(3), and redesignated paragraph (c) to read as follows:

§ 500.701 Penalties.

(a) Attention is directed to section 18 of the Trading with the Enemy Act (50 U.S.C. App. 18), as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), which provides that:

(1) " . . .
(2) " . . .
(3) The Secretary of the Treasury may impose a civil penalty of not more than \$35,000 per violation on any person who violates any license, order, or regulation issued under that act:

(4) " . . .
(5) " . . .
(b) The criminal penalties provided in the Trading with the Enemy Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

PART 515—CUBAN ASSETS CONTROL REGULATIONS

1. The authority citation for part 515 is revised to read as follows:

Authority: 50 U.S.C. App. 1-44; 22 U.S.C. 6001-6010; 22 U.S.C. 2370(a); Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note; Proc. 3447 27 FR 1085, 3 CFR 1980-1983 Comp., p. 157; E.O. 9183, 7 FR 5205, 3 CFR 1938-1943 Comp., p. 1147; E.O. 9809, 13 FR 4891, 3 CFR 1943-48 Comp., p. 748; E.O. 12854, 50 FR 36587, 3 CFR 1983 Comp., p. 614.

Subpart G—Penalties

2. Section 515.701 is amended by removing paragraph (a)(5), redesignating paragraphs (b), (c), (d) and (e) as paragraphs (c), (d), (e) and (f), respectively, adding a new paragraph (b), and revising introductory paragraph (a), paragraph (a)(3), and redesignated paragraph (d) to read as follows:

§ 515.701 Penalties.

(a) Attention is directed to section 18 of the Trading with the Enemy Act (50 U.S.C. App. 18), as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), which provides that:

(1) " . . .
(2) " . . .
(3) The Secretary of the Treasury may impose a civil penalty of not more than \$35,000 per violation on any person who violates any license, order, or regulation issued under that act:

(4) " . . .
(b) The criminal penalties provided in the Trading with the Enemy Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

PART 535—IRANIAN ASSETS CONTROL REGULATIONS

1. The authority citation for part 535 is revised to read as follows:

Authority: 50 U.S.C. 1701-1708; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note; E.O. 12370, 44 FR 60728, 3 CFR 1979 Comp., p. 457; E.O. 12308, 45 FR 24099, 3 CFR 1980 Comp., p. 248; E.O.

12311, 45 FR 28885, 3 CFR 1980 Comp., p. 288; E.O. 12376, 46 FR 7913, 3 CFR 1981 Comp., p. 104; E.O. 12379, 46 FR 7919, 3 CFR 1981 Comp., p. 108; E.O. 12380, 46 FR 7921, 3 CFR 1981 Comp., p. 110; E.O. 12381, 46 FR 7923, 3 CFR 1981 Comp., p. 112; E.O. 12382, 46 FR 7925, 3 CFR 1981 Comp., p. 113; E.O. 12383, 46 FR 7927, 3 CFR 1981 Comp., p. 114; and E.O. 12394, 46 FR 14111, 3 CFR 1981 Comp., p. 138.

Subpart G—Penalties

2. Section 535.701 is amended by redesignating existing paragraphs (b) and (c) as paragraphs (c) and (d), respectively, adding a new paragraph (b), and revising paragraph (a) and redesignated paragraph (c) to read as follows:

§ 535.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act:

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction, be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code,

or imprisoned not more than five years, or both.

PART 550—LIBYAN SANCTIONS REGULATIONS

1. The authority citation for part 550 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1801-1851; 22 U.S.C. 287c; 49 U.S.C. App. 1514; 22 U.S.C. 2349a-8 and 2349a-9; Pub. L. 104-132, 110 Stat. 1214, 1234 (18 U.S.C. 2332d); 5 U.S.C. 301; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12543, 51 FR 875, 3 CFR 1986 Comp., p. 181; E.O. 12544, 51 FR 1235, 3 CFR 1986 Comp., p. 183; E.O. 12801, 57 FR 14319, 3 CFR 1992 Comp., p. 29.

Subpart G—Penalties

2. Section 550.701 is amended by redesignating existing paragraphs (b), (c) and (d) as paragraphs (c), (d) and (e), respectively, adding a new paragraph (b), and revising paragraph (a) and redesignated paragraph (c) to read as follows:

§ 550.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub.L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act.

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up

by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

PART 560—IRANIAN TRANSACTIONS REGULATIONS

1. The authority citation for part 560 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1801-1851; 22 U.S.C. 2349a-8; Pub. L. 104-132, 110 Stat. 1214, 1234 (18 U.S.C. 2332d); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 5 U.S.C. 301; E.O. 12813, 52 FR 41940, 3 CFR 1987 Comp., p. 238; E.O. 12857, 60 FR 14815, 3 CFR 1995 Comp., p. 332; E.O. 12966, 60 FR 34757, 3 CFR 1995 Comp., p. 336.

Subpart G—Penalties

2. Section 560.701 is amended by redesignating existing paragraphs (b), (c) and (e) as paragraphs (c), (d) and (f), respectively, adding a new paragraph (b), and revising paragraph (a) and redesignated paragraph (c) to read as follows:

§ 560.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub.L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act.

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code or imprisoned not more than five years or both.

PART 575—IRAQI SANCTIONS REGULATIONS

1. The authority citation for part 575 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1801-1851; 22 U.S.C. 287c; Pub. L. 104-132, 110 Stat. 1214, 1234 (18 U.S.C. 2332d); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 5 U.S.C. 301; E.O. 12722, 55 FR 3180, 3 CFR 1990 Comp., p. 284; E.O. 12724, 55 FR 33080, 3 CFR 1992 Comp., p. 317.

Subpart G—Penalties

2. Section 575.701 is amended by redesignating existing paragraphs (b), (c), (d) and (e) as paragraphs (c), (d), (e) and (f), respectively, adding a new paragraph (b), adding a new final sentence to redesignated paragraph (c), and revising introductory paragraph (a) paragraph (a)(1), and redesignated paragraph (d) to read as follows:

§ 575.701 Penalties.

(a) Section 580E of the Iraq Sanctions Act of 1990 (Public Law 101-613, 104 Stat. 2048), as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub.L. 101-410, as amended, 28 U.S.C. 2461 note), provides that, notwithstanding section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) and section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b)):

(1) A civil penalty of not to exceed \$275,000 per violation may be imposed on any person who, after the enactment of this Act, violates or evades or attempts to violate or evade Executive Order Number 12722, 12723, 12724, or 12725, or any license, order, or regulation issued under any such Executive Order;

(2) * * *

(3) * * *

(b) The criminal penalties provided in the Iraq Sanctions Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) * * * The criminal penalties provided in the United Nations

Participation Act are subject to increase pursuant to 18 U.S.C. 3571.

(d) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

PART 585—FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO) AND THE BOSNIAN SERB-CONTROLLED AREAS OF THE REPUBLIC OF BOSNIA AND HERZEGOVINA SANCTIONS REGULATIONS

1. The authority citation for part 585 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1801-1851; 22 U.S.C. 287c; 40 U.S.C. App. 1514; Pub. L. 101-410, 104 Stat. 900 (28 U.S.C. 2461 note); 3 U.S.C. 301; E.O. 12808, 57 FR 23296; E.O. 12810, 57 FR 24347; E.O. 12831, 58 FR 5253.

Subpart G—Penalties

2. Section 585.701 is amended by redesignating existing paragraphs (b), (c), and (d) as paragraphs (c), (d), and (e), respectively, adding a new paragraph (b), adding a new final sentence to redesignated paragraph (c), and revising paragraph (a) and redesignated paragraph (d) to read as follows:

§ 585.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act:

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) * * * The criminal penalties provided in the United Nations Participation Act are subject to increase pursuant to 18 U.S.C. 3571.

(d) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

PART 590—UNITA (ANGOLA) SANCTIONS REGULATIONS

1. The authority citation for part 590 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1801-1851; 22 U.S.C. 287c; Pub. L. 101-410, 104 Stat. 900 (28 U.S.C. 2461 note); 3 U.S.C. 301; E.O. 12808, 58 FR 51005.

Subpart G—Penalties

2. Section 590.701 is amended by redesignating existing paragraphs (b), (c) and (d) as paragraphs (c), (d) and (e), respectively, adding a new paragraph (b), adding a new final sentence to redesignated paragraph (c), and revising paragraph (a) and redesignated paragraph (d) to read as follows:

§ 590.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of

1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act:

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) * * * The criminal penalties provided in the United Nations Participation Act are subject to increase pursuant to 18 U.S.C. 3571.

(d) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

PART 595—TERRORISM SANCTIONS REGULATIONS

1. The authority citation for part 595 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1801-1851; 3 U.S.C. 301; Pub. L. 101-410, 104 Stat. 900 (28 U.S.C. 2461 note); E.O. 12847, 60 FR 3079.

Subpart G—Penalties

2. Section 595.701 is amended by redesignating existing paragraph (b) as paragraph (c), adding a new paragraph (b), and revising paragraph (a) and redesignated paragraph (c) to read as follows:

§ 595.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or

authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act:

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

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Dated: October 17, 1996.

R. Richard Neumann,

Director, Office of Foreign Assets Control

Approved: October 18, 1996.

James E. Johnson,

Assistant Secretary (Enforcement)

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